GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:183
ANSWERED ON:01.08.2003
PENSION SCHEME FOR SENIOR CITIZENS
MALYALA RAJAIAH;NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have launched a subsidized pension scheme for senior citizens through Life Insurance Corporation of India;

(b) if so, the main features of the scheme;

(c) the details of other financial schemes being implemented by the Government for senior citizens;

(d) whether the Government have since considered the request of private insurers for providing the same support for the above scheme; and

(e) if so, the decisions taken by the Government thereon?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

(a): Yes, Sir.

(b): Salient features of the scheme are annexed.

(c): No similar scheme is being implemented as at present.

(d) & (e) : Yes, Sir. After consideration it has been decided that as at present, only this scheme will be implemented and that too, only through the Life Insurance Corporation of India.
Annexure referred to in reply to part (b) of Starred Question No.183 to be answered on 1.8.2003 in the Lok Sabha.

Varishtha Pension Bima Yojana - Salient Features

The scheme will be implemented by the Life Insurance Corporation (LIC) of India. The scheme provides for pension at the return of 9%. Government would provide the shortfall in the returns to LIC through budgetary allocation.

Eligibility:

- Indian citizens aged 55 years and above are eligible.
- One person from a family can apply. The family comprises of spouse, minor children and dependants.
- Any valid age proof would be accepted by LIC.

Benefits:

- Pension during the life-time of the pensioner
- In the event of death of the pensioner, purchase price will be returned to the nominee.
- Minimum pension Rs.250/- per month and maximum pension Rs.2000/- per month
- Mode of payment of pension - Monthly, Quarterly, Half yearly or Yearly as opted.

Premium:

For monthly pension single premium payable in lump sum - minimum Rs.33,335/- and maximum Rs.2,66,665/-.

Exit Option:

After 15 years, the pensioner has the option to withdraw from the scheme. In that event, the entire purchase price would be returned to him.

Loan Facility:

Upto 75% of the total deposited premium will be allowed in the form of a loan after the policy has completed 3 years. The rate of interest on the loan will be determined by the LIC from time to time.